



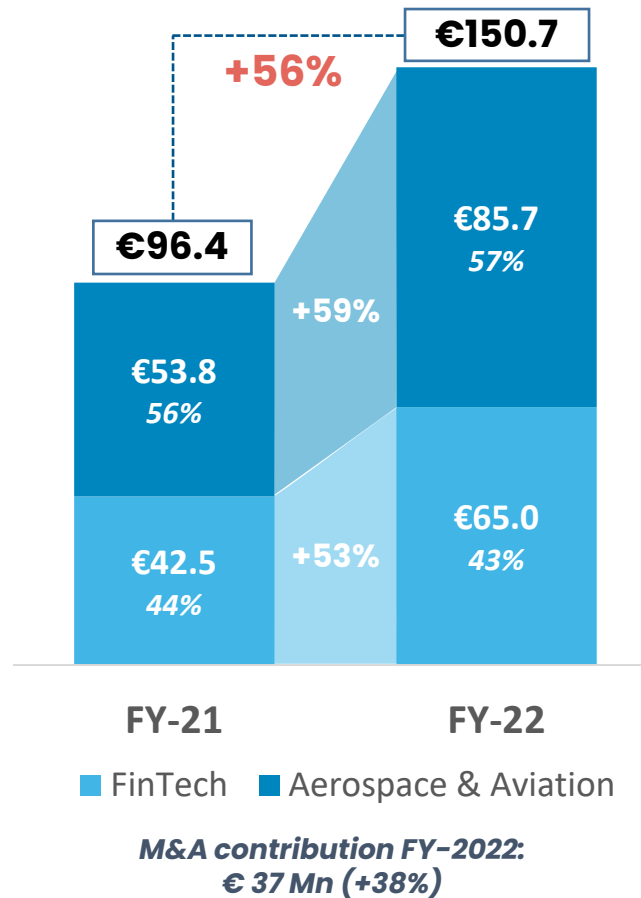
TXT Group: **FY-2022 Results**

Call with Investors
March 10 | 11.00am (CET)

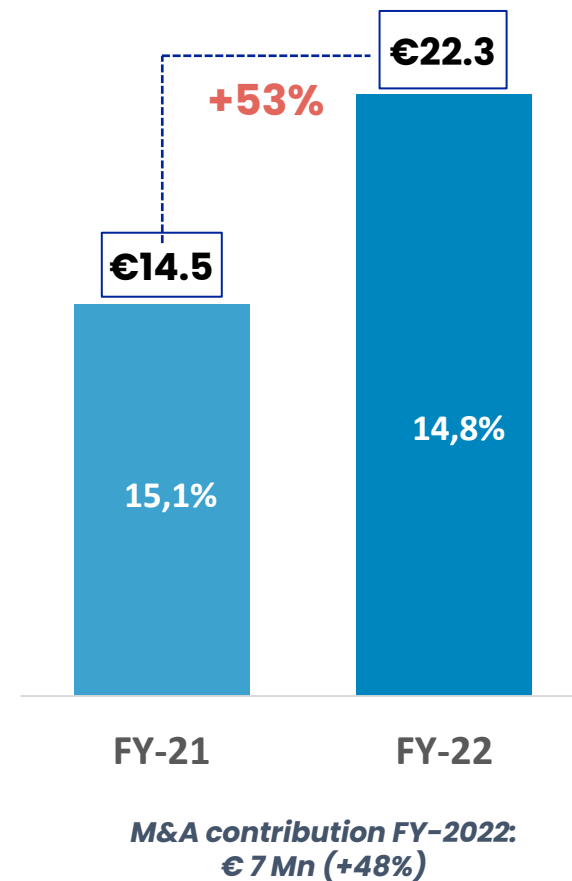
Daniele MISANI, CEO
Andrea FAVINI, IR

Consolidated figures for 2022 show accelerated growth of Revenues by maintaining target EBITDA margin

Revenues by Market (€mn, % on total revenues)



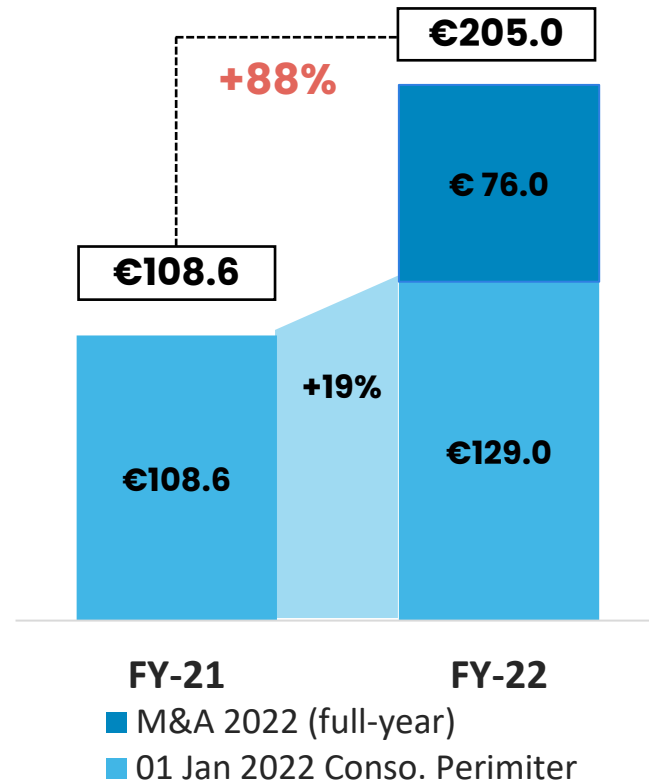
EBITDA (€mn, % on total revenues)



_2022 Pro-Forma Revenues and EBITDA exceed € 200 Mn and € 30 Mn, respectively

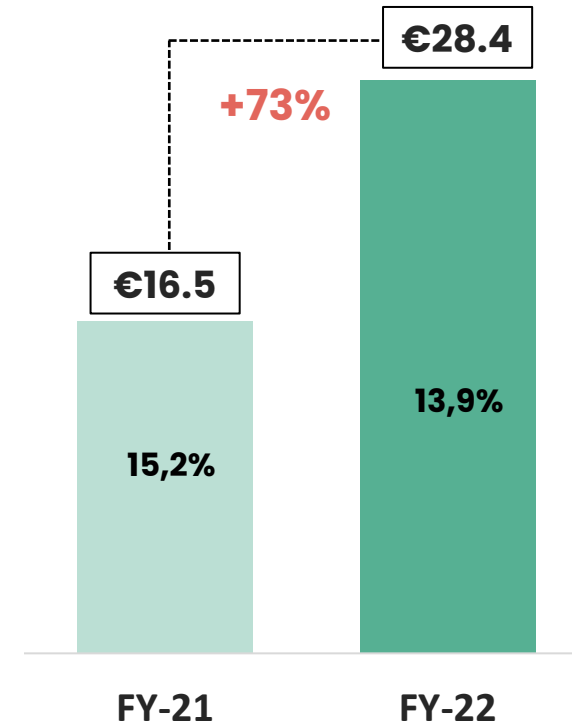
Revenues Pro-Forma *

(€mn)



EBITDA Pro-Forma *

(€mn, % on total revenues)

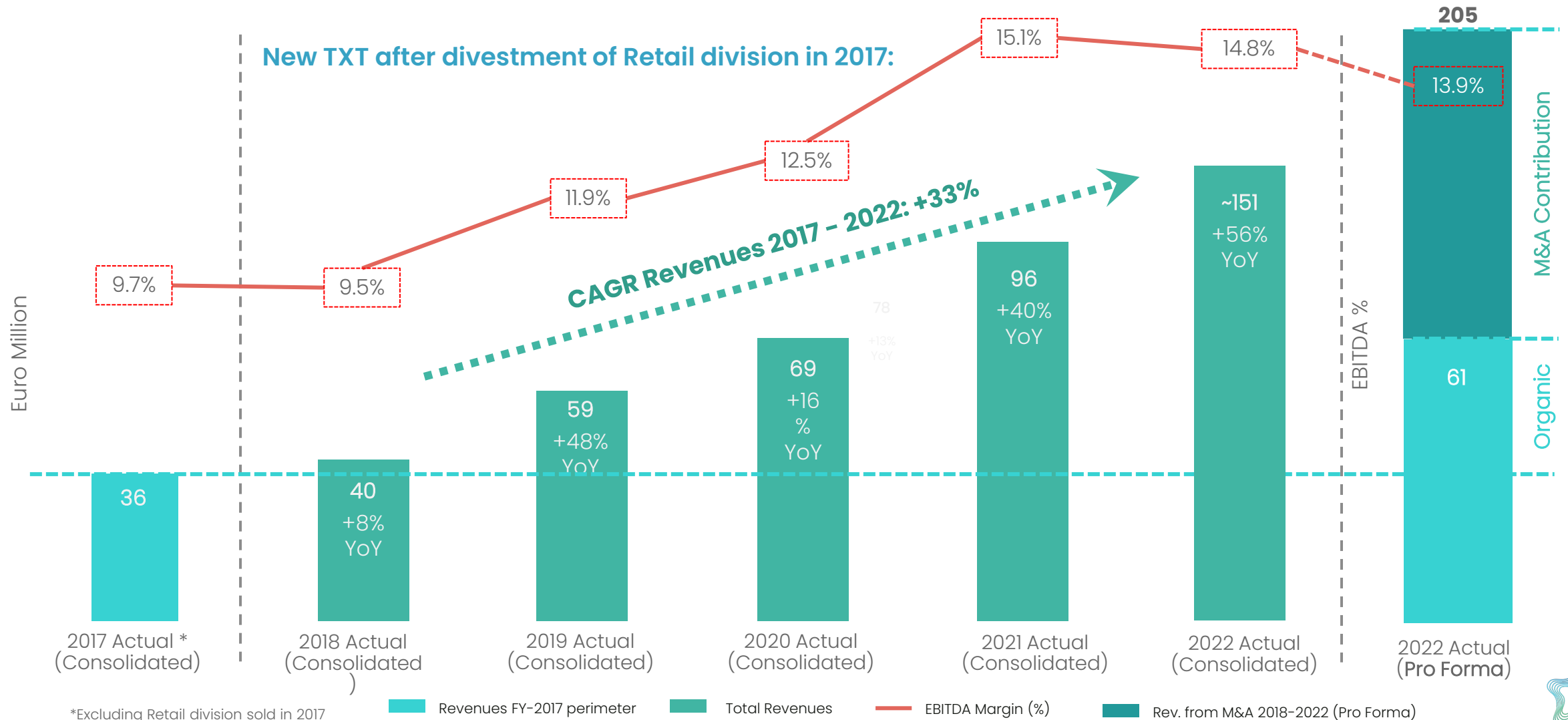


* Pro-Forma figures consist of consolidated full-year results of all TXT Group companies in the consolidation perimeter as of Jan 1st, 2023



Trading Results (2017-2022)

After the divestment of the retail division in 2017, revenues and EBITDA Margin have benefit from TXT Group's growth strategy driven by diversification and investments in innovation and synergies





Solid Organic
Growth

+18%

vs. FY-2021



Postive M&A
Contribution

+€37 Mn

M&A Revenues in FY-22
(Consolidated*)



ENNOVA



PROSIM



SPS



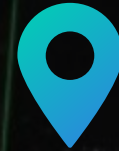
TLOGOS



DM



PGMD



Net Profit
(consolidated)

€12.0 Mn

8% of Revenues
+53% vs. FY-2021

* Excluded ProSim-TS not consolidated in FY-2023





R&D INVESTMENTS (fully expenses in the quarter)

€ 7.6Mn FY-22, **+11%** vs. FY-21



SOFTWARE LICENSES REVENUES

€ 10.3Mn +22% vs. FY-21, **+ € 28Mn** from services around proprietary SW



INTERNATIONAL REVENUES

€ 42Mn 28% of total revenues



SUSTAINABLE DEBT + TREASURY SHARES & FINANCIAL ASSETS FOR FINANCING GROWTH

€ 38Mn (Net Debt) - **€ 12Mn*** in Treasury Shares & **€ 16Mn** Fair Value Financial Investment

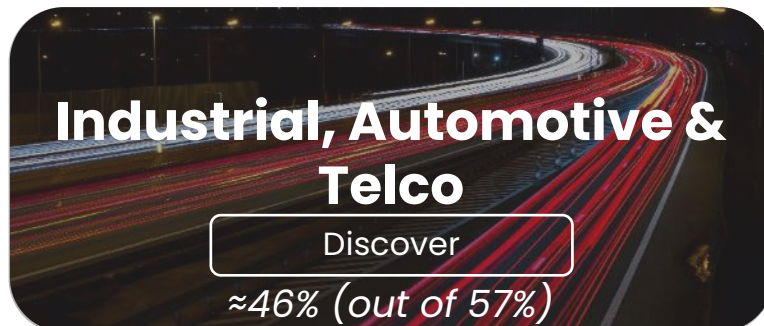
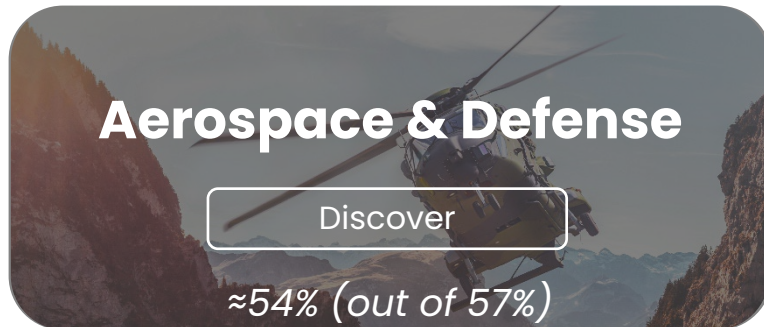
** Value calculated with stock price of € 12,84 per share (Share Price Dec. 31st, 2022)*



Core Markets

We are an international specialized provider of digital solutions relying on distinctive technological and business-critical core processes expertise to support major players in different markets with a unique ability to solve customers' problems within their digital transformation journey by driving innovation.

Aerospace & Aviation



FY-2022 figures

Turnover

86M €
+59% YoY
+10% Organic

65M €
+53% YoY
+28% Organic

EBITDA margin

18%

11%

SW Revenues*

26M €
30% of Total

12M €
18% of Total

International business

36%

18%

Fintech



* SW Revenues includes revenues from services around proprietary platforms and Smart Solutions.
Revenues from software licenses, licenses maintenance and subscription are 10.3M € (7.9M € A&A and 2.4M € Fintech)



FY-2022 main Growth Drivers & Expected Evolution

- **Public Sector**, with subsidiary HSPI SpA, recoded organic growth of more than 40% driven by multi-year contracts related to CONSIP (purchasing center of the Italian public administration) public tenders for the digitalization of the Italian public sector.
- **Fintech** business grew at an accelerated rate (+20% organic) thanks to the growth of the Quality Assurance BU Assioma+Quence, up-sell/cross-sell of smart solutions, and strong contribution from new entries LBA and TXT Novigo.
- **Civil Aviation**: recorded organic growth of 18% driven by strong market positioning of subsidiary PACE GmbH that benefits from the reboot of the market that suffered a significant slow-down during covid outbreak, with positive trend confirmed for 2023;
- **Defense** segment continuously growing thanks to strong positioning in European defense programs confirmed by the Service Excellence award granted to TXT by Leonardo in March 2023. Segment expected to remain a growth pillar;
- **Industrial & Automotive** is leveraging on synergies with new acquired companies, with TeraTron (organic revenues share) and the industrial offering of TXT that recorded an organic double-digit growth, with positive projections for new business in 2023, also from new-acquired companies (DM Consulting).
- First positive contribution from **Telco** segment thanks to the consolidation and integration of new companies ENNOVA and SPS.





EBITDA Margin
(Group)

>14%



Revenues *
(Group Consolidate)

+€250mn



Net Debt
(Year-End)

<2xEBITDA

** Including M&A 2023 expected contribution*

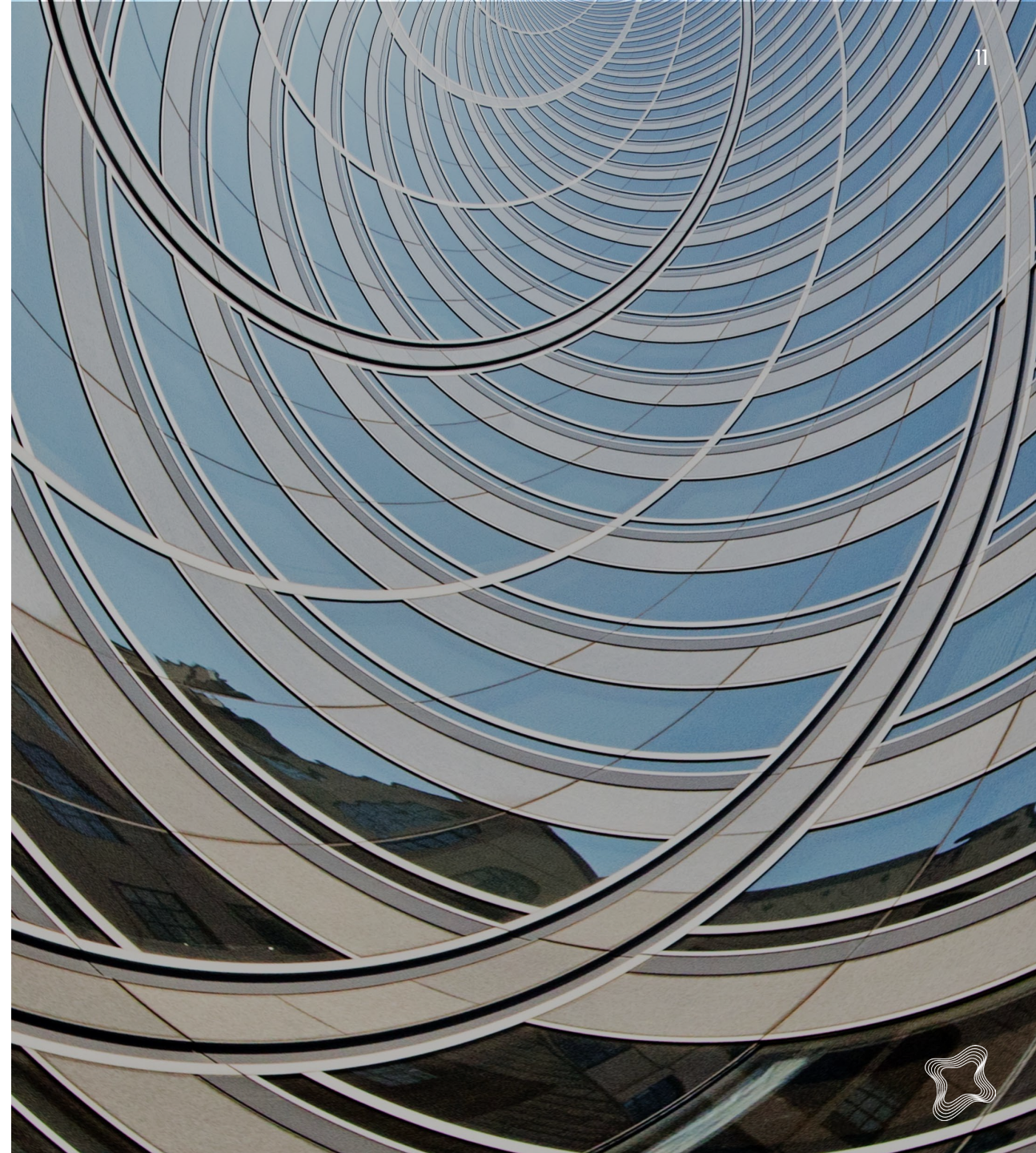


_ Latest M&A from FY-2022 & Subsequent Events

Digital Advisory & Helathcare

TXT Acquires PGMD

- **On November 14, 2022**, TXT **acquired PGMD** Consulting S.r.l.;
- PGMD, **based in Milan and counts over 25 resources**, offers specialised consulting expertise in digital advisory and transformation and proprietary application solutions for the digitalization of core processes in the public and private health sector;
- **Offering** of PGMD significantly strengthens TXT's consultancy offering in the **digitalization of ICT processes** in specific sectors such as **healthcare**, with proprietary technologies, certifications and software which will be integrated into TXT's digital advisory offering which will determine an increasingly prestigious and broad customer portfolio;
- During **2022** PGMD reported **revenues of Euro 2.6 million**, with **EBITDA margin of 20%**.
- Solid backlog of revenues from **multi-year contracts already acquired for more than €3 million** drives **solid growth prospects** leveraging the digitisation of the public healthcare sector, which will benefit from the funds deriving from the NRRP.
- TXT consolidates the results of PGMD starting from 15 November 2022.



TXT Digital Advisory & Security

TXT acquired TLogos

- On December 5, 2022, TXT finalized the **acquisition of TLogos S.r.l.**;
- TLogos, **based in Rome and counts over 15 resources**, is a **digital consulting boutique specialised in cybersecurity** with high added value with significant contracts in the **main European space projects**;
- The investment in TLogos represents a **strategic transaction** for the **consolidation of strong and innovative cybersecurity expertise** which will **strengthen TXT Group's digital advisory offering** in a segment with high growth prospects and high added transversal value inside an increasingly wide range of industries;
- During **2022 TLogos** reported **revenues of Euro 1.7 million**, with **EBITDA margin of 35%**.
- TLogos boasts a **significant revenues backlog from multi-year contracts already acquired**, with strong growth prospects both in its own sector and in other sectors already covered by the TXT Group, which will benefit from an increasingly extensive and high added-value cybersecurity offering.
- TXT consolidates the results of TLogos starting from 1 December 2022.



SUBSEQUENT EVENTS

- **On 6 March 2023 TXT was awarded**, first in the ranking through the RTI (Temporary Grouping of Companies) led by the subsidiary HSPI SpA ("HSPI"), lot 2 of the **public tender** for the provision of **application services in a cloud perspective, demand and pmo services** for the **Public Administrations**.
 - The contract is part of the **National Recovery and Resilience Plan** (NRRP) and will enable the conclusion of contracts with Central Public Administrations for a **total value of up to EUR 120 million** (excluding extensions) during the **period 2023-2026**, of which **61% of the value will be in favour of the TXT Group**;
 - The framework agreement awarded, which is the largest domestic tender for management consultancy services in the digital and innovation field ever launched, represents a **key milestone for accelerated growth** in the **strategic field of digitalization of the public sector** and is in addition to the other already awarded public tenders of more than EUR 50 million for the period 2023-2026.
- With regard to strategic investment in new technologies and innovation, **on January 26, 2023**, an agreement for the **investment in the capital of LAS LAB** Srl ("LasLab"). The investment involves a **capital increase** in LasLab reserved to TXT, consisting of **€ 0.3 million**, which represents 33.0% of TXT shareholding of LasLab, innovative start-up established from the spin-off of the technological platform developed by Loan Agency Services Srl (LAS Srl), leader among active non-banking operators in the credit management supporting services.





FY-2022 FINANCIALS

_Profit & loss: FY-2022 details

€ thousand	2022	%	2021	%	Var %
REVENUES	150,758	100	96,363	100	56.4
Direct costs	94,309	62.6	57,013	59.2	65.4
GROSS MARGIN	56,449	37.4	39,350	40.8	43.5
Research and Development costs	7,634	5.1	6,890	7.2	10.8
Commercial costs	14,149	9.4	9,751	10.1	45.1
General and Administrative costs	12,407	8.2	8,193	8.5	51.4
EBITDA	22,259	14.8	14,516	15.1	53.3
Depreciation	3,605	2.4	2,436	2.5	48.0
Amortization	3,496	2.3	2,122	2.2	64.8
Riorganization and Non Recurrent Costs	1,247	0.8	(356)	(0.4)	n.a.
OPERATING PROFIT (EBIT)	13,911	9.2	9,602	10.0	44.9
Financial income (charges)	(165)	(0.1)	706	0.7	n.a.
Non-recurrent fin. income (charges) linked to M&A	2,452	1.6	0	0.0	n.a.
EARNINGS BEFORE TAXES (EBT)	16,198	10.7	10,308	10.7	57.1
Taxes	(4,210)	(2.8)	(2,469)	(2.6)	70.5
NET PROFIT	11,988	8.0	7,839	8.1	52.9



Profit & loss: Q4 2022 details

€ thousand	Q4 2022	%	Q4 2021	%	Var %
REVENUES	58,358	100	29,630	100	97.0
Direct costs	37,771	64.7	16,891	57.0	123.6
GROSS MARGIN	20,587	35.3	12,739	43.0	61.6
Research and Development costs	1,856	3.2	1,799	6.1	3.2
Commercial costs	5,336	9.1	3,270	11.0	63.2
General and Administrative costs	4,667	8.0	1,910	6.4	144.4
EBITDA	8,728	15.0	5,760	19.4	51.5
Depreciation	2,808	4.8	1,511	5.1	85.8
Riorganization and Non Recurrent Costs	1,172	2.0	9	0.0	n.a.
OPERATING PROFIT (EBIT)	4,748	8.1	4,240	14.3	12.0
Financial income (charges)	3,918	6.7	361	1.2	n.a.
EARNINGS BEFORE TAXES (EBT)	8,666	14.8	4,601	15.5	88.4
Taxes	(2,014)	(3.5)	(893)	(3.0)	125.5
NET PROFIT	6,652	11.4	3,708	12.5	79.4



NET Financial Debt: Solid financial position

€ thousand	31.12.2022	31.12.2021	Var
Cash	33,015	36,076	(3,061)
Trading securities at fair value	48,490	48,869	(379)
Total Cash & Cash Equivalent	81,505	84,945	(3,440)
Current Financial Debts - Lessors IFRS 16	(2,506)	(1,539)	(967)
Current Debts for PUT/CALL and EarnOut	(4,300)	(9,614)	5,314
Short term Financial Debts	(44,381)	(35,972)	(8,409)
Current Financial Debts	(51,187)	(47,125)	(4,062)
Short term Financial Resources	30,318	37,820	(7,502)
Other Long Term Financial Assets	1,417	-	1,417
Non current Financial Debts - Lessors IFRS 16	(5,988)	(4,209)	(1,779)
Non-Current Debts for PUT/CALL and EarnOut	(6,717)	(5,119)	(1,599)
Other Non current Financial Debts	(57,299)	(40,141)	(17,158)
Non current Net Financial Debts	(68,588)	(49,469)	(19,119)
Net Cash/(Debt)	(38,270)	(11,649)	(26,621)
Non-monetary debts for adjustment of the price of the 2021 acquisitions to be paid in TXT shares	1,750	5,253	(3,503)
Financial Investments	16,542	14,300	2,242
Net Cash/(Debt) Adjusted	(19,978)	7,904	(27,882)

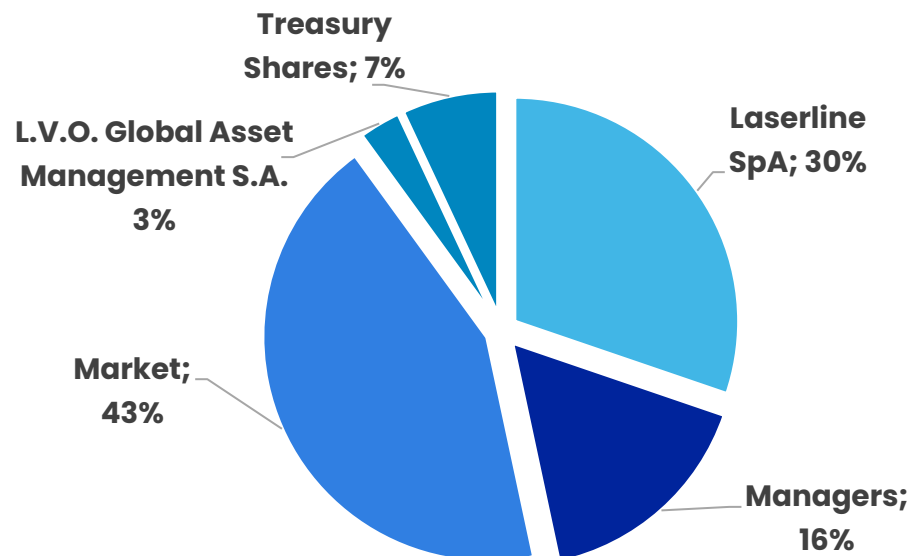


€ thousand	31.12.2022	31.12.2021	Change
Intangible assets	77,975	55,182	22,793
Tangible assets	18,293	12,126	6,167
Other fixed assets	19,360	16,529	2,831
Fixed Assets	115,628	83,837	31,791
Inventories	13,765	7,810	5,955
Trade receivables	73,115	43,156	29,959
Other short term assets	15,352	8,864	6,488
Trade payables	(20,643)	(6,303)	(14,340)
Tax payables	(7,958)	(5,700)	(2,258)
Other payables and short term liabilities	(36,834)	(23,650)	(13,184)
Net working capital	36,797	24,177	12,620
Severance and other non current liabilities	(4,772)	(3,297)	(1,475)
Capital employed - Continuing Operations	147,653	104,717	42,936
Shareholders' equity	109,366	92,655	16,711
Shareholders' equity - minority interest	17	412	(395)
Net financial debt	38,270	11,649	26,621
Financing of capital employed	147,653	104,717	42,937



Shareholding Structure December 31st, 2022*

* Latest Public Data Available as of 31 Dec. 2022

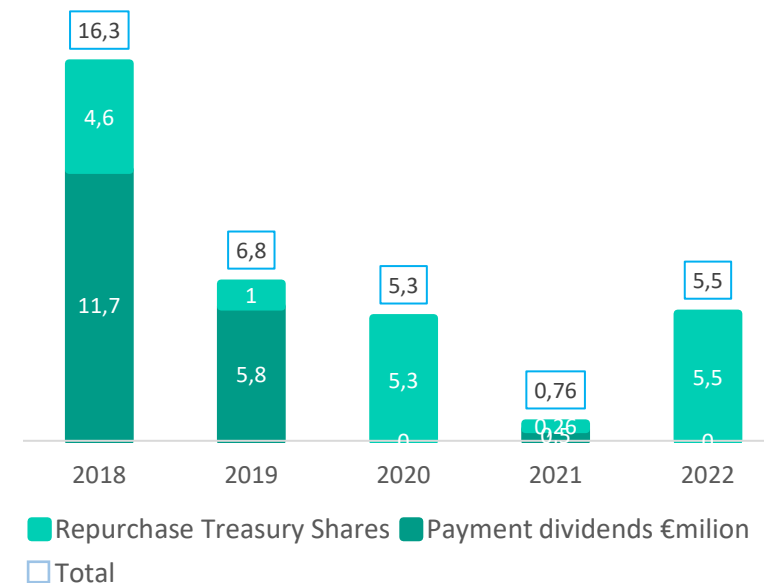


Market Data

Share Price Dec 31 st , 2019	9.66€/share
Share Price Dec 31 st , 2022	12.84€/share
Mkt Dec 31 st , 2022	155m €
Dividend Yield *	1.4%

* Price per share of 12.84€ as of 31 Dec. 2022

Dividends and Treasury Shares Repurchase (€m)



Dividends

Year	Dividends
2018	1.00 € / share
2019	0.50 € / share
2020	nil
2021	0.04 € / share
2022	nil
2023	0.18 € / share



Q & A